

INDEPENDENT AUDITOR'S REVIEW REPORT

To the shareholders of Polski Koncern Naftowy ORLEN S.A.

We have reviewed the accompanying consolidated balance sheet of Polski Koncern Naftowy ORLEN S.A. (the "Company") as of 31 March 2004 and the related consolidated statements of income, cash flows and changes in equity for the 3 month period ended 31 March 2004 ("the consolidated condensed financial statements"). These consolidated condensed financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated condensed financial statements based on our review.

We conducted our review in accordance with the International Standard on Auditing applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the accompanying consolidated condensed financial statements.

1. The International Accounting Standards Board has issued International Financial Reporting Standard no 1 ("IFRS 1") "First-time Adoption of International Financial Reporting Standards", which is effective for financial statements for periods beginning on or after 1 January 2004. In accordance with the pronouncements of IFRS 1 the Company is considered as the first time adopter of International Financial Reporting Standards ("IFRS"). IFRS 1 requires, among other things that an entity recognises in its financial statements all assets and liabilities whose recognition is required by IFRSs. In accordance with IFRS 1 an entity may elect to measure an item of property, plant and equipment at the date of transition to IFRSs at its fair value and use that fair value as its deemed cost at that date.

Perpetual usufruct rights granted to the Company in the past based on administrative decisions meet the definition of an asset. Accordingly these perpetual usufruct rights should be recognised in the Company's financial statements. As discussed in Note 2 to the accompanying condensed consolidated financial statements, no fair value estimation of the above assets was performed by the Company, to determine deemed cost. As a result, we are not able to assess the potential effect of the aforementioned issue on the consolidated condensed financial statements.

2. International Accounting Standard No. 29 "Financial Reporting in Hyperinflationary Economies" (IAS 29) requires that the carrying amounts of assets and liabilities reported in a period of hyperinflation should be expressed in the measuring unit current at the end of the hyperinflationary period and constitute the basis for the carrying amounts in the subsequent financial statements. The Polish economy was hyperinflationary until the end of 1996 and ceased to be hyperinflationary in 1997. The Company last revalued its fixed assets as of 1 January 1995 to reflect the effects of inflation, in general by applying price indices determined by the Central Statistical Office for individual groups of assets. This revaluation was not performed in accordance with the provisions of IAS 29 since the Company did not use a general price index and did not subsequently revalue its fixed assets as of 31 December 1996. As a result, the cumulative balances of property, plant and equipment, which existed prior to 31 December 1996, have not been expressed in the measuring unit current at the end of 1996. The Company also did not apply International Accounting Standard No 16 "Property, Plant and Equipment" requiring that the revalued amount of fixed assets approximate their fair value as at the date of revaluation. The Company has not determined fair value as a deemed cost in relation to the fixed assets discussed above, which would result from the requirements of IFRS 1. As a result, we are not able to assess the potential effect of the aforementioned issue on the consolidated condensed financial statements.

Based on our review, except for the effects of the matters referred to in the above paragraphs, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed financial statements are not presented fairly, in all material respects, in accordance with International Financial Reporting Standards.

We also reported separately on the consolidated condensed financial statements of the Company for 3 month period ended 31 March 2004 prepared in accordance with Polish Accounting Standards ("PAS"). The significant differences between PAS and International Financial Reporting Standards as far as they concern consolidated condensed financial statements referred to above are summarized in Note 3.10 of the accompanying consolidated condensed financial statements.

Ernst & Young Audit Sp. zo.o

Warsaw, Poland
11 May 2004